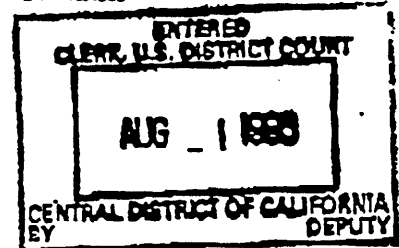
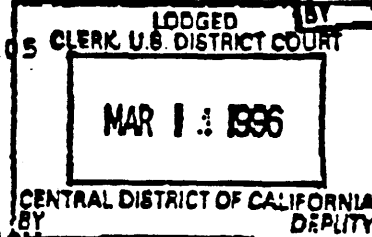
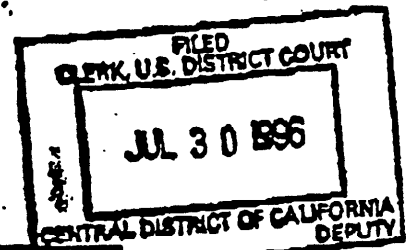


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25 IN THE UNITED STATES DISTRICT COURT
26 FOR THE CENTRAL DISTRICT OF CALIFORNIA

27 UNITED STATES OF AMERICA)
28)
29 Plaintiff,)
30)
31 v.)
32)
33 ALLIED-SIGNAL, INC., et al.,)
34)
35 Defendants.)

36 STATE OF CALIFORNIA)
37)
38 Plaintiff,)
39)
40 v.)
41)
42 ALLIED-SIGNAL, INC., et al.,)
43)
44 Defendants.)

CIVIL NO. 93-6490-MRP(Tx)
PARTIAL CONSENT DECREE

THIS CONSTITUTES NOTICE OF ENTRY
AS REQUIRED BY FRCP, RULE 77(d).

PARTIAL CONSENT DECREE

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1 I. BACKGROUND

2 A. COMPLAINTS. On October 26, 1993, the United States of
3 America ("United States"), on behalf of the Administrator of the
4 United States Environmental-Protection Agency ("EPA"), and, on
5 October 29, 1993, the State of California ("State"), on behalf of
6 the State Department of Toxic Substances Control (formerly, the
7 Toxic Substances Control Program of the State Department of
8 Health Services), filed complaints in this matter pursuant to
9 Sections 107 and 113 of the Comprehensive Environmental Response,
10 Compensation, and Liability Act of 1980 ("CERCLA"), as amended,
11 42 U.S.C. §§ 9607 and 9613. Both the United States and the State
12 ("Plaintiffs") filed, prior to or concurrently with the lodging
13 of this Consent Decree, amended complaints, which add additional
14 defendants to the original complaints. In the amended
15 complaints, the Plaintiffs seek recovery of response costs
16 incurred by the Plaintiffs in connection with actions taken
17 pursuant to CERCLA in response to releases and threatened
18 releases of hazardous substances from the Defendants' facilities
19 in the San Fernando Valley Groundwater Basin ("Basin") and at the
20 North Hollywood Operable Unit Site ("NHOUSite") within the
21 Basin.

22 B. SITE DESCRIPTION.

23 1. Basin. The San Fernando Valley Superfund Sites
24 ("SFV Sites") are located in the eastern half of the Basin,
25 between the San Gabriel and the Santa Monica Mountains, in Los
26 Angeles County, California. EPA has divided the SFV Sites in two
27 different ways. For the purpose of placing the SFV Sites on the
28 National Priorities List ("NPL"), EPA divided the SFV Sites into

the following four areas based on the location of drinking water well fields that were known to be contaminated by volatile organic compounds ("VOCs") in 1984: Area 1 (North Hollywood Area), Area 2 (Crystal Springs Area), Area 3 (Verdugo Basin), and Area 4 (Pollock Area). Once more was known about the extent of groundwater contamination and for the purpose of accelerating the investigation and cleanup of the SFV Sites, EPA divided the SFV Sites into the following five Operable Units ("OUs"): North Hollywood (the NHOU Site), Burbank, Glendale North, Glendale South, and Pollock.

2. NHOU Site. This Consent Decree focuses on the NHOU Site, originally listed as part of the San Fernando Valley Area 1/North Hollywood Area NPL site. The NHOU Site is comprised of the areal extent of hazardous substance groundwater contamination that is presently located in the vicinity of the North Hollywood Well Field and includes any areas to which and from which such hazardous substance groundwater contamination migrates.

C. NATURE OF SITE CONTAMINATION. Tests conducted in the early 1980s to determine the presence of certain industrial chemicals in the State's drinking water revealed extensive VOC contamination in the Basin's groundwater. The primary contaminants of concern were and are the solvents trichloroethene ("TCE") and tetrachloroethene ("PCE"), widely used in a variety of industries including metal plating, machinery degreasing, and dry cleaning. By August 1985, groundwater from 27 of the 35 production wells in the North Hollywood Well Field alone exceeded the Federal Maximum Contaminant Level ("MCL") for TCE. MCLs are

drinking water standards established under the Safe Drinking Water Act of 1974, as amended, 42 U.S.C. § 300f et seq. Other VOC contaminants in the Basin have also been detected above their MCLs. As a result of this groundwater contamination, many production wells have been taken out of service, despite the fact that the Basin's groundwater has been used to supply the domestic water needs of approximately 800,000 people. According to recent estimates, the plumes of TCE contamination above the MCL in the Basin's groundwater extend over an area eleven miles long and as great as three miles wide.

D. NPL LISTING. In June 1986, EPA placed the SFV Sites, which include the NHOU Site, on the NPL (see 51 Federal Register 21054). The NPL is promulgated pursuant to Section 105 of CERCLA, 42 U.S.C. § 9605, and is a list of the most seriously contaminated hazardous substances sites in the country (see 40 C.F.R. Part 300, Appendix B). As stated in Section I.B.1 above, the SFV Sites listed on the NPL are Area 1 (North Hollywood Area), Area 2 (Crystal Springs Area), Area 3 (Verdugo Basin), and Area 4 (Pollock Area). The original boundaries of the SFV Sites were based on the location of the drinking water well fields that were known to be contaminated by VOCs in 1984. Groundwater data collected since 1984 show that VOC groundwater contamination extends beyond the original boundaries drawn at the time the SFV Sites were placed on the NPL.

E. OU DESIGNATION. In 1985, EPA determined that the most effective way of dealing with the spreading groundwater contamination in the Basin was to divide the SFV Sites into OUs. Each OU represents a discrete, interim remedial action that will

1 inhibit the migration of contamination in the groundwater prior
2 to the completion of a Basin-wide Remedial Investigation ("RI")
3 and Feasibility Study ("FS") and selection of any Basin-wide
4 remedial actions. As stated in Section I.B.1 above, EPA has
5 identified the following five OUs: North Hollywood (the NHOU
6 Site), Burbank, Glendale North, Glendale South, and Pollock. EPA
7 has issued Record of Decision ("ROD") documents selecting interim
8 remedial actions for four of these OUs: NHOU Site (1987),
9 Burbank OU (1989), and Glendale North and South OUs (1993).

10 F. NHOU SITE FS AND ROD. In November 1986, pursuant to a
11 cooperative agreement with EPA and the State of California, the
12 Los Angeles Department of Water and Power ("LADWP") completed an
13 OU FS for the NHOU Site. After providing an opportunity for the
14 public to comment on the completed OU FS, in September 1987, EPA
15 issued a ROD for the NHOU Site. The interim remedial action
16 selected in the 1987 NHOU ROD is fifteen years of groundwater
17 extraction and treatment.

18 G. NHOU SITE INTERIM REMEDIAL ACTION. In 1989, pursuant
19 to another cooperative agreement with EPA and the State of
20 California, LADWP constructed the NHOU Site groundwater
21 extraction and treatment facilities. These facilities pump out
22 contaminated groundwater, remove the contaminants from the
23 groundwater, and convey the treated groundwater to LADWP's pump
24 station for distribution to the public. Consistent with Section
25 104(c)(3) of CERCLA, 42 U.S.C. § 9604(c)(3), EPA paid for ninety
26 percent and the State paid for ten percent of the construction
27 costs of the extraction and treatment facilities; and EPA is
28 paying for ninety percent and the State is responsible for paying

1 ten percent of the operating costs of the NHOU Site interim
2 remedial action. Pursuant to its cooperative agreement with EPA
3 and the State of California, LADWP will continue to operate and
4 maintain the NHOU Site Interim Remedial Action.

5 H. BASIN-WIDE GROUNDWATER AND SOIL CLEANUP ACTIVITIES.

6 Remediation of groundwater in the Basin is a collaborative
7 undertaking of EPA, the State, LADWP, and the California Regional
8 Water Quality Control Board, Los Angeles Region ("RWQCB"). In
9 December 1992, pursuant to another cooperative agreement with
10 EPA, LADWP completed the Phase 1 Basin-wide groundwater RI. EPA
11 is currently preparing a Basin-wide groundwater FS. In addition
12 to groundwater investigation and remediation activities, EPA, in
13 conjunction with the State and RWQCB, has conducted and continues
14 to conduct soil investigations at individual facilities
15 throughout the Basin to uncover potential sources of groundwater
16 contamination. In September 1989, EPA entered into a cooperative
17 agreement with RWQCB to provide funds to augment the State's
18 program to investigate sources of groundwater contamination in
19 the Basin.

20 I. PLAINTIFFS' ALLEGATION OF DEFENDANTS' LIABILITY. The
21 Plaintiffs allege that: (i) the past, present, or potential
22 migrations of "hazardous substances," as defined in Section
23 101(14) of CERCLA, 42 U.S.C. § 9601(14), from the Defendants'
24 "facilities," as defined in Section 101(9) of CERCLA, 42 U.S.C.
25 § 9601(9), constitute actual or threatened "releases," as defined
26 in Section 101(22) of CERCLA, 42 U.S.C. § 9601(22); (ii) the
27 Defendants are persons subject to liability under Section 107(a)
28 of CERCLA, 42 U.S.C. § 9607(a); (iii) the releases or threatened

1 releases of hazardous substances from the Defendants' facilities
2 have caused the Plaintiffs to incur and to continue to incur
3 "response" costs, within the meaning of Section 101(25) of
4 CERCLA, 42 U.S.C. § 9601(25); and (iv) the actions taken by the
5 Plaintiffs in response to releases or threatened releases of
6 hazardous substances from the Defendants' facilities were not
7 inconsistent with the National Contingency Plan.

8 J. SETTLING DEFENDANTS' DENIAL OF LIABILITY. The
9 Defendants that have entered into this Consent Decree ("Settling
10 Defendants") do not admit and expressly deny any liability to the
11 Plaintiffs arising out of the transactions or occurrences alleged
12 in the amended complaints or as set forth above. The Plaintiffs
13 and the Settling Defendants agree that neither this Consent
14 Decree, nor the entry into settlement, nor any payments pursuant
15 to this Consent Decree shall constitute or be construed as a
16 finding or an admission, adjudication or acknowledgement of any
17 fact or law, or of any liability, fault or wrongdoing, or
18 evidence of such, or an admission of violation of any law, rule
19 or regulation by Settling Defendants nor as an estoppel or waiver
20 of any defenses of Settling Defendants except as provided in
21 Section VI.G of this Consent Decree.

22 K. PURPOSE.

23 1. Pursuant to a cooperative agreement with EPA and
24 the State of California, LADWP is implementing the NHOU Site
25 Interim Remedial Action selected in the 1987 NHOU ROD. The
26 purpose of this Consent Decree is to avoid prolonged litigation
27 and to provide for the Settling Defendants' payment of specified
28 amounts of the past and future response costs for the NHOU Site

1 Interim Remedial Action selected in the 1987 NHOU ROD and of the
2 past costs of Basin-wide investigations relating to their
3 facilities located at the NHOU Site in full and complete
4 satisfaction of any and all claims against Settling Defendants
5 for such costs.

6 2. The parties to this Consent Decree ("Parties")
7 recognize that the Settling Defendants' payment represents only a
8 part of the total cost of the NHOU Site Interim Remedial Action
9 selected in the 1987 NHOU ROD and of the past costs of Basin-wide
10 investigations relating to the facilities located at the NHOU
11 Site.

12 3. In entering into this Consent Decree, the
13 Plaintiffs have considered the circumstances of the releases and
14 threatened releases of hazardous substances in the Basin, the
15 involvement of the Settling Defendants in the ownership and/or
16 operation of facilities located at the NHOU Site and the
17 willingness and capacity of Settling Defendants and the other
18 Defendants to resolve this matter.

19 4. The Parties agree, and the Court by entering this
20 Consent Decree finds, that this Consent Decree has been
21 negotiated by the Parties in good faith and implementation of
22 this Consent Decree will expedite the cleanup of the NHOU Site
23 and will avoid prolonged and complicated litigation between the
24 Parties, and that this Consent Decree is fair, reasonable, and in
25 the public interest.

26 THEREFORE, with the consent of the parties to this Consent
27 Decree, it is ORDERED, ADJUDGED, AND DECREED:
28

II. DEFINITIONS

Unless otherwise expressly provided herein, terms used in this Consent Decree that are defined in CERCLA or in regulations promulgated under CERCLA shall have the meaning assigned to them in CERCLA or in such regulations. Whenever terms listed below are used in this Consent Decree or in any appendices attached hereto and incorporated hereunder, the following definitions shall apply:

A. "Basin-wide Response Costs" shall mean all costs that the Plaintiffs have incurred or may incur for Basin-wide/non-operable unit specific investigations or other non-operable unit specific response actions.

B. "CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. §§ 9601 et seq.

C. "Certification of Completion" shall mean EPA's certification pursuant to Section 122(f)(3) of CERCLA, 42 U.S.C. § 9622(f)(3), that all remedial actions have been completed that relate to the NHOU Site in accordance with the requirements of the National Contingency Plan and any applicable Record of Decision.

D. "Consent Decree" shall mean this Decree and any attached appendices. In the event of conflict between this Decree and any appendix, this Decree shall control.

E. "Day" shall mean a calendar day. In computing any period of time under this Consent Decree, where the last day would fall on a Saturday, Sunday, or Federal Holiday, the period shall run until the close of business of the next working day.

1 F. "EPA" shall mean the United States Environmental
2 Protection Agency and any successor departments or agencies of
3 the United States.

4 G. "Future Basin-wide Response Costs" shall mean all
5 Basin-wide response costs that EPA has incurred or will incur
6 after April 30, 1992 and that the State has incurred or will
7 incur after December 31, 1993.

8 H. "Interest," in accordance with Section 107(a) of
9 CERCLA, 42 U.S.C. § 9607(a), shall mean interest at the rate
10 specified for interest on investments of the Hazardous Substance
11 Superfund established pursuant to the Internal Revenue Code, 26
12 U.S.C. § 9507. In calculating interest, Plaintiffs may compound
13 on a monthly or annual basis.

14 I. "Interim Remedial Action" shall mean the interim
15 remedial action selected in the 1987 NHOU ROD.

16 J. "North Hollywood Operable Unit" or "NHOU Site" shall
17 mean the areal extent of hazardous substance groundwater
18 contamination that is presently located in the vicinity of the
19 North Hollywood Well Field and includes any areas to which and
20 from which such hazardous substance groundwater contamination
21 migrates. EPA has determined that each of the Settling
22 Defendants has owned and/or operated and/or currently owns and/or
23 operates facilities that are located at the NHOU Site and/or has
24 arranged for the disposal of hazardous substances at a facility
25 located at the NHOU Site.

26 K. "Parties" shall mean the United States, the State of
27 California, and the Settling Defendants.

28 L. "Past Basin-wide Response Costs" shall mean Basin-wide

1 Response Costs incurred by EPA prior to and including April 30,
2 1992 and Basin-wide Response Costs incurred by the State prior to
3 and including December 31, 1993.

4 M. "Plaintiffs" shall mean the United States and the State
5 of California.

6 N. "Releasees" shall mean Settling Defendants and their
7 officers, directors, employees and agents, and where the Settling
8 Defendant is a trustee, its successor trustees appointed to carry
9 out the purposes of said trust; and where the Settling Defendant
10 is a corporate entity, its corporate successors to potential
11 liability for the NHOU Site. "Releasees" shall also mean the
12 following named entities associated with one or more of the
13 Settling Defendants:

14 Affiliates of Waste Management Recycling & Disposal Services of
15 California, Inc. (currently known as Waste Management, Inc.):

16 Waste Management Disposal Services of California, Inc.
17 ("WMDSC") f/k/a Valley Reclamation Co.; Bradley Landfill and
18 Recycling Center, a division of WMDSC; Waste Management of
19 California, Inc., including, but not limited to, its divisions
20 Waste Management of Los Angeles-North, f/k/a Waste Management of
21 San Fernando Valley, Waste Management of Los Angeles-South, f/k/a
22 Waste Management of Gardena, and Universal Refuse Removal of El
23 Cajon, f/k/a Universal Refuse Removal, Inc.; Waste Management
24 Collection and Recycling, Inc., f/k/a Inland Disposal, Inc.,
25 including, but not limited to its divisions American Waste
26 Systems, f/k/a American Waste Systems, Inc. and Waste Transfer
27 and Recycling f/k/a Waste Transfer and Recycling, Inc.; Waste
28 Management, Inc., and WMX Technologies, Inc.

Affiliates of Lockheed Martin Corporation (f/k/a Lockheed Corporation) and/or Airport Group International, Inc. (f/k/a Lockheed Air Terminal, Inc.):

Lockheed Martin Corporation and its current and former subsidiaries, divisions and affiliates, including but not limited to Lockheed Martin Aeronautical Systems, f/k/a Lockheed Aeronautical Systems Company; and Lockheed Martin Skunk Works, f/k/a Lockheed Advanced Development Company; Airport Group International, Inc., f/k/a/ Lockheed Air Terminal, Inc., a wholly-owned subsidiary of Airport Group International Holdings, L.L.C., Lockheed Missiles & Space Company, Inc.; and Lockheed Corporation.

Affiliates of CalMat Co.:

CalMat Land Co., CalMat Properties Co., CalMat of Central California, CC Plaza Co., Coast Asphalt, Inc., Huntmix, Inc., Industrial Asphalt, Kirst Construction Co., Inc., Reliance Land Co., Reliance Transport Co., Rio Norte Este Co., River Vista Development Co., River Bend Corp., Sanger Rock and Sand, Sloan Canyon Sand Co., Triangle Rock Products, Inc., Western Thermal Soils Co.

Affiliates of Pick Your Part Auto Wrecking:

Sun Valley Pick-Your-Part Auto Wrecking; Pick Your Part Auto Recycling; The City Tow; Memory Lane Collector Car Parts; Insurance Salvage Service; Master Mining Systems; Multi-Metals; Pick Your Car; Yermo Signs; Cook, Carlton & Lee Advertising Company; Top Line Lien Sales; Help Yourself Auto Wrecking; Sun Valley Repair Shop; Hayward Associates; Contamination Clean-Up of

1 California, Inc.

2 Affiliates of Niels Bruun Andersen, as Trustee of the Erik and
3 Else Bruun-Andersen Trust, and of Pacific Steel Treating Co.,
4 Inc.:

5 Niels-Bruun Andersen
6 608 Batcheller Lane
7 Sioux Falls, SD 57105

8
9 Erik Andersen
10 608 Batcheller Lane
11 Sioux Falls, SD 57105

12
13 However, Releasees shall not include any person or entity
14 with liability for the NHOU Site independent of that person's or
15 entity's association with a Settling Defendant.

16 O. "Settling Defendants" shall mean CalMat Co.; Fleetwood
17 Machine Products, Inc.; Airport Group International, Inc. (f/k/a
18 Lockheed Air Terminal, Inc.); Lockheed Martin Corporation (f/k/a
19 Lockheed Corporation); Pacific Steel Treating Company, Inc.; Pick
20 Your Part Auto Wrecking; Waste Management Recycling and Disposal
21 Services of California, Inc.; Niels Bruun-Andersen, in his
22 capacity as Trustee of the Erik and Else Bruun-Andersen Trust;
23 and William L. Cooke and Jerry Conrow, in their capacity as
24 Trustees of the Amended Cooke Family Trust.

25 P. "State" shall mean the State of California.

26 Q. "United States" shall mean the United States of
27 America.

28 R. "1987 NHOU ROD" shall mean the EPA Record of Decision